

**HOUSE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**Juneau, Alaska**

**Thursday**

**January 22, 2009**

**Third Day**

Pursuant to adjournment the House was called to order by Speaker Chenault at 6:00 p.m.

Roll call showed 38 members present. Representative Harris had been excused from a call of the House today. Representative Holmes was absent and her presence was noted later.

The invocation was offered by the Chaplain, the Reverend Thomas Weise of Cathedral of the Nativity. Representative Gruenberg moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With the deepest respect for the beliefs of all Alaskans, I offer the following prayer.

From Psalm 19: *The heavens declare the glory of the Creator; the firmament proclaims the handiwork of love. ... The law of love is perfect, reviving the soul; the testimony of love is sure, making wise the simple; the precepts of love are right, rejoicing the heart; the authority of love is pure, enlightening the eyes; the spirit of love is wondrous, enduring forever; the rites of love are true, awakening compassion. ... Let the words of my mouth and the meditation of my heart find favor in your heart O my Beloved, my strength and my joy!*

Gracious God, you created us and placed us within families to learn how to love and be loved. We praise you for your goodness; we thank you for your gifts. Bless our state with

your love. Raise up in Alaska good and holy families, loving husbands and wives, devoted parents and children. Raise up from our families and friends dedicated and generous leaders who will serve as role models in our communities. Amen.

The Pledge of Allegiance was led by Representative Stoltze.

### **CERTIFICATION OF THE JOURNAL**

Representative Johansen moved and asked unanimous consent that the journal for the second legislative day be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

### **MESSAGES FROM THE SENATE**

A message dated January 21, 2009, was read stating the Senate accepted the invitation to meet in joint session in the House Chamber at 11:00 a.m., February 19 to hear an address by the Honorable Lisa Murkowski, U.S. Senator.

### **COMMUNICATIONS**

The following were received:

Dept. of Environmental Conservation  
Division of Spill Prevention and Response  
Oil and Hazardous Substance Release  
Prevention and Response Fund  
Biennial Report, Fiscal Year 2007 - 2008  
January 20, 2009  
(as required by AS 46.08.060)

Dept. of Natural Resources  
Division of Mining, Land and Water  
2009 Report to the Legislature  
Report on Identified R.S. 2477 Rights-of-Way  
Notification of Annual Mining Report  
Land Disposal Income Fund Report  
Notification of Annual Report on the Status of Land in the  
Land Disposal Bank

Notification of Annual Report on Water Removals and Exports  
Notification of Interim Land Classifications  
(Closing Land to Mineral Entry)

Summary of Cooperative Resource Management or  
Development Agreements

January 16, 2009

(as required by AS 19.30.400, 27.05.060, 38.04.022, 38.04.020,  
46.15.020, 38.05.300, 38.05.027, respectively)

### **INTRODUCTION OF CITATIONS**

The following citations were introduced and referred to the Rules Committee for placement on the calendar:

Honoring - Randy Killian

By Representative Guttenberg; Senator Thomas

Honoring - Bob Ritchie and ABR, Inc.

By Representative Guttenberg; Senator Thomas

Honoring - Dr. Norm Eck

By Senator Olson; Representative Joulé

### **INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS**

#### **HJR 7**

HOUSE JOINT RESOLUTION NO. 7 by Representatives Millett,  
Lynn, Dahlstrom, and Johnson:

Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration, development, and production.

was read the first time and referred to the Resources Committee.

### **INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE BILLS**

#### **HB 80**

HOUSE BILL NO. 80 by Representative Dahlstrom, entitled:

"An Act relating to the Joint Armed Services Committee and its Homeland Security and Emergency Management Subcommittee; and providing for an effective date."

was read the first time and referred to the State Affairs Committee.

**HB 81**

HOUSE BILL NO. 81 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The Governor's transmittal letter dated January 21, 2009, follows:

"Dear Speaker Chenault:

Today I am transmitting to you the FY2010 operating budget bill. As I indicated when I released the budget on December 15, 2008, this budget is consistent with the fiscal plan that has guided this administration and builds on our commitment to live within our means, save for the future, and control government spending.

When the budget was released on December 15, 2008, our revenue forecast indicated that we would have a FY2010 budget surplus of nearly \$390 million that would flow into the constitutional budget reserve fund at the end of the fiscal year based upon a per barrel oil price of \$74.41. We all know that oil prices currently are well below that price. We will continue to closely monitor oil price and production and will be providing updated revenue information for your consideration.

The good news is that Alaska has tools in place to address these challenges; fiscal discipline and prudent use of reserves to stabilize Alaska's economy, keep Alaskans employed, and industry moving. I

look forward to working with the Legislature to finalize the operating budget for the upcoming fiscal year.

Sincerely,  
/s/  
Sarah Palin  
Governor"

**HB 82**

HOUSE BILL NO. 82 by the House Rules Committee by request of the Governor, entitled:

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The Governor's transmittal letter dated January 21, 2009, follows:

"Dear Speaker Chenault:

Today I am transmitting to you the FY2010 capital budget bill. The capital budget represents a significant investment in Alaska's infrastructure including surface transportation, airport improvements, water and wastewater projects, schools and state facilities maintenance.

When the budget was released on December 15, 2008, our revenue forecast indicated that we would have a FY2010 budget surplus of nearly \$390 million that would flow into the constitutional budget reserve fund at the end of the fiscal year based upon a per barrel oil price of \$74.41. We all know that oil prices currently are well below that price. We will continue to closely monitor oil price and production and will be providing updated revenue information for your consideration.

The good news is that Alaska has tools in place to address these challenges; fiscal discipline and prudent use of reserves to stabilize Alaska's economy, keep Alaskans employed, and industry moving.

I believe that this capital budget is a responsible approach to addressing the needs of Alaskans. I look forward to working with the Legislature to secure passage of this bill.

Sincerely,  
/s/  
Sarah Palin  
Governor"

**HB 83**

HOUSE BILL NO. 83 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

was read the first time and referred to the Finance Committee.

A letter dated January 21, 2009, with an accompanying spreadsheet, to the Alaska Mental Health Trust Authority from Karen J. Rehfeld, Director, Office of Management and Budget, was attached (as required by AS 37.14.003) and is on file in the Chief Clerk's office.

The Governor's transmittal letter dated January 21, 2009, follows:

"Dear Speaker Chenault:

Today I am transmitting the Fiscal Year 2010 appropriations bill for the state's comprehensive mental health program. As required by statute, it includes both operating and capital appropriations and is accompanied by a report outlining the differences between the recommendations of the Alaska Mental Health Trust Authority and my budget.

The proposed mental health budget represents a cooperative effort between state agencies and the Alaska Mental Health Trust Authority. These productive working relationships have made, and will continue to make, a positive difference for Alaska's mental health beneficiaries.

I look forward to working with the Legislature to secure passage of this budget bill.

Sincerely,  
/s/  
Sarah Palin  
Governor"

**HB 84**

HOUSE BILL NO. 84 by Representative Crawford, entitled:

"An Act levying a tax on certain gas reserves; providing for a conditional repeal of the tax on certain gas reserves; relating to a credit against the oil and gas production tax attributable to the production of gas; relating to expenses that are not lease expenditures for the purposes of the oil and gas production tax; requiring payment of the amount of disputed taxes into an escrow account; and providing for an effective date."

was read the first time and referred to the House Special Committee on Energy and the Resources and Finance Committees.

**CONSIDERATION OF THE DAILY CALENDAR****LEGISLATIVE CITATIONS**

Representative Johansen moved and asked unanimous consent that the House approve the citation on the calendar. There being no objection, the following citation was approved and sent to enrolling:

In Memoriam - Nellie "Mrs. Santa Claus" Miller

By Senator Therriault; Representatives Coghill, Chenault, Buch, Cissna, Crawford, Dahlstrom, Doogan, Edgmon, Fairclough, Foster, Gara, Gardner, Gatto, Gruenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kelly, Kerttula, Lynn, Millett, Munoz, Neuman, Olson, Petersen, Ramras, Salmon, Seaton, Stoltze, Thomas, Tuck, Wilson

**UNFINISHED BUSINESS**

Representative Johansen moved and asked unanimous consent that the following members be excused from a call of the House. There being no objection, the members were excused as noted:

Representative Millett – from morning plane time, January 28 to morning plane time, January 29

Representative Dahlstrom – from 8:00 a.m., January 30 to 10:00 a.m., February 2

Representative Herron – from 11:30 a.m., January 30 to morning plane time, February 2

The Speaker stated that, without objection, the House would recess until 6:50 p.m. for the Governor's State of the State Address; and so, the House recessed at 6:20 p.m.

**AFTER RECESS**

The Speaker called the House back to order at 6:59 p.m.

\*\*The presence of Representative Holmes was noted.

**JOINT SESSION IN THE HOUSE**

In accordance with Uniform Rule 51, Speaker Chenault turned the gavel over to President Stevens who called the joint session to order at 7:00 p.m.

The purpose of the joint session was to hear the State of the State Address by the Honorable Sarah Palin, Governor of Alaska.

Senator Ellis moved and asked unanimous consent that the roll call of the Senate be waived and all members be shown as present. There being no objection, it was so ordered.

Representative Johansen moved and asked unanimous consent that the roll call of the House be waived and all members be shown as present. There being no objection, it was so ordered.



President Stevens appointed Representative Stoltze and Senator Menard to escort the Governor to the joint session.

The Senate Sergeant-at-Arms announced the Governor's entrance into the House Chamber.

Governor Palin was escorted to the rostrum and welcomed by President Stevens.

Governor Palin delivered her address, and it is published in Senate and House Joint Journal Supplement No. 1.

Governor Palin received a standing ovation and was escorted from the Chamber by Representative Stoltze and Senator Menard.

Senator Ellis moved and asked unanimous consent that the joint session adjourn. There being no objection, President Stevens adjourned the joint session at 7:33 p.m.

The Speaker ordered the House at ease to allow members of the Senate to leave the Chamber.

### **IN THE HOUSE**

The Speaker called the House back to order at 7:37 p.m.

### **UNFINISHED BUSINESS**

#### **HCR 2**

Representative Hawker added his name as cosponsor to:

#### **HOUSE CONCURRENT RESOLUTION NO. 2**

Requesting the governor to provide energy security for all Alaskans by pursuing development of a natural gas bullet pipeline from the North Slope to the Cook Inlet region; and requesting the governor to identify and negotiate with one or more persons capable of producing natural gas from the Gubik area, and other areas on the North Slope if necessary, in sufficient quantities to support a bullet pipeline project.

**HCR 3**

Representative Hawker added his name as cosponsor to:

**HOUSE CONCURRENT RESOLUTION NO. 3**

Requesting the governor to provide energy security for all Alaskans by taking and encouraging all action that would support a natural gas bullet pipeline from the North Slope to the Cook Inlet region, including initiating any necessary negotiations to reopen the Agrium plant in Kenai.

**HCR 4**

Representative Hawker added his name as cosponsor to:

**HOUSE CONCURRENT RESOLUTION NO. 4**

Requesting the governor to provide energy security for Alaskans by taking and encouraging all action to support development of a natural gas bullet pipeline from the North Slope to the Cook Inlet region including advocating an increase in the amount of natural gas that may be exported under authority granted by the United States Department of Energy.

**HCR 5**

Representative Hawker added his name as cosponsor to:

**HOUSE CONCURRENT RESOLUTION NO. 5**

Requesting the governor to provide energy security for all Alaskans by working on significant elements and components to support the timely construction of a natural gas bullet pipeline from the North Slope to the Cook Inlet region and to take necessary action to assist and facilitate the process for a private entity to make a final investment decision to commit to the pipeline before November 1, 2010.

**HB 10**

Representative Lynn added his name as cosponsor to:

**HOUSE BILL NO. 10**

"An Act authorizing a borough to charge a city for costs of collecting certain taxes; relating to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property

taxes for property of certain fraternal organizations, for certain college property, and for certain residential property; and providing for an effective date."

**HB 20**

Representative Austerman added his name as cosponsor to:

HOUSE BILL NO. 20

"An Act relating to commercial fishing loans for energy efficiency upgrades."

**HB 30**

Representative Dahlstrom added her name as cosponsor to:

HOUSE BILL NO. 30

"An Act repealing the defined contribution retirement plans for teachers and for public employees; providing a defined benefit retirement plan for teachers and public employees; making conforming amendments; and providing for an effective date."

**HB 54**

Representative Dahlstrom added her name as cosponsor to:

HOUSE BILL NO. 54

"An Act repealing the defined contribution retirement plans for teachers and for public employees; providing a defined benefit retirement plan for teachers and public employees; making conforming amendments; and providing for an effective date."

**ANNOUNCEMENTS**

House committee schedules are published under separate cover.

**ADJOURNMENT**

Representative Johansen moved and asked unanimous consent that the House adjourn until 11:00 a.m., January 26, 2009. There being no objection, the House adjourned at 7:37 p.m.

Suzi Lowell  
Chief Clerk